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Statement of Actuarial Opinion**Sec. 38a-53-1. Definitions**

As used in Sections 38a-53-1 to 38a-53-4, inclusive:

(a) "Qualified Actuary" and "Qualified Loss Reserve Specialist" means a person who is either:

(1) A member in good standing of the Casualty Actuarial Society;

(2) A member in good standing of the American Academy of Actuaries who has been approved as qualified for signing casualty loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries;

(3) A person who otherwise has competency in loss reserve evaluation as demonstrated to the satisfaction of the insurance regulatory official of the domiciliary state. In such case, at least ninety days prior to the filing of its annual statement, the insurer shall request approval that the person be deemed qualified and that request shall be approved or denied by the Commissioner. The following must be submitted with the request:

(A) The National Association of Insurance Commissioners biographical form or similar form;

(B) A list of all loss reserve opinions and/or certifications issued in the immediate past three years. Copies of qualified opinions shall be attached;

(C) If the individual has not certified the reserves in the past but was responsible for establishing the reserves as filed in the Annual Statements during the last five years, a list of all such insurers and the years for which such reserves were established;

(D) A list of the lines of business for which such person shall be opining if approved;

(E) If a person has successfully completed any parts of the examinations of the Casualty Actuarial Society, evidence thereof; and

(F) A statement certifying the accuracy of this information attested to by an officer of the entity requesting this approval; or

(4) In the case of a health care center of life and health insurance company, an actuary who is qualified to submit an actuarial opinion regarding a life insurance company's accident and health reserves in accordance with Section 38a-78 of the General Statutes.

(b) "Annual Statement" means the annual financial statement required to be filed by insurers with the Commissioner pursuant to Section 38a-53 of the General Statutes.

(c) "Commissioner" means the Insurance Commissioner of the State of Connecticut.

(d) "Insurer", "Insurance Company", or "Company" means a health care center or an insurance company (other than a life insurance company) licensed by the Commissioner to do business in this state.

(e) "Workpapers" means the records which support the conclusions reached by the Qualified Actuary or Qualified Reserve Specialist as to the adequacy of the company's reserves.

(Effective September 28, 1993)

Sec. 38a-53-2. Statement of actuarial opinion

(a) Each insurer shall include as an attachment to page one of its annual statement an opinion of a qualified actuary or qualified reserve specialist, entitled "Statement of Actuarial Opinion", which shall set forth his or her certification as to the adequacy of all reserve liabilities of the company. The qualified actuary or reserve specialist

shall be appointed by the Board of Directors, or its equivalent, or by a committee of the Board, by December 31 of the calendar year for which the opinion is rendered. Whenever the appointed actuary or reserve specialist is replaced by the Board of Directors, the company must notify its domiciliary commissioner within 30 days of the date of the Board action and give the reasons for the replacement. The appointed actuary shall present a report to the Board of Directors each year on the items within the scope of the opinion. For good cause shown, the Commissioner may in his discretion, require the Statement of Actuarial Opinion to be prepared by an independent qualified actuary or qualified reserve specialist who is not an employee of the company.

(1) For property and casualty insurance companies, the Statement of Actuarial Opinion for the property and casualty lines of business, including accident and health, shall be in the format of and contain the information required by the "Annual Statement Instructions: Property and Casualty" which is published by the National Association of Insurance Commissioners.

(2) For health care centers, the Statement of Actuarial Opinion shall be in the format of and contain the information required by the "Annual Statement Instructions: Health Maintenance Organization" which is published by the National Association of Insurance Commissioners.

(b) Life insurance companies reporting life and/or accident and health premiums shall include as an attachment to page one of its annual statement, the statement of actuarial opinion setting forth an opinion relating to reserves and related actuarial items held in support of policies and contracts in accordance with the Standard Valuation Law, Sections 38a-77 and 38a-78 of the General Statutes and regulations promulgated thereunder, and to the extent not inconsistent with the foregoing, shall be in the format of and contain the information required by the "Annual Statement Instructions: Life, Accident and Health" which is published by the National Association of Insurance Commissioners.

(Effective September 28, 1993)

Sec. 38a-53-3. Availability of workpapers

Every insurer required to file a Statement of Actuarial Opinion with its annual statement pursuant to this regulation, shall make available all workpapers for review by the Commissioner or his designated representative. Such workpapers shall be maintained at the company and available for examination for seven years.

(Effective September 28, 1993)

Sec. 38a-53-4. Exemptions

(a) Upon written application of an insurer, the Commissioner may issue an exemption from compliance with the provisions of this regulation in the following instances:

(1) An insurer that has less than \$1,000,000 total direct plus assumed written premiums during a calendar year, or that has less than 1,000 policyholders or certificate holders at the end of a calendar year, in lieu of the certification required for the calendar year, may submit an affidavit under oath of an officer of the insurer that specifies that amount of direct, plus assumed, premiums written and the total number of policyholders and certificate holders. An insurer which intends to utilize this exemption shall submit a letter of intent to the insurance regulatory official in its domiciliary state no later than December 1 of the calendar year for which the exemption is to be claimed;

(2) An insurer which is under rehabilitation, liquidation, or any other delinquency proceeding ordered pursuant to a statutory provision unless ordered to make the report by the insurance regulatory official of its domiciliary state;

(3) An insurer writing property insurance only if the exemption is agreed to by the insurance regulatory official in the insurer's domiciliary state based on the nature of the business written;

(4) Filing the report would constitute financial hardship, which is presumed to exist for an insurer other than a health care center if the projected reasonable cost of the report would exceed the lesser of:

(A) One percent of the insurer's capital and surplus reflected in the insurer's annual statement for the calendar year for which the exemption is sought; or

(B) Three percent of the insurer's net direct plus assumed premiums written during the calendar year for which the exemption is sought as reflected in the insurer's annual statement filed with its insurance regulatory official of its domiciliary state.

(Effective September 28, 1993)